(b) what is the position of these banks reflected during the year 2002-2003; and

(c) what steps have been taken to improve the situation?

THE MINISTER OF FINANCE (SHRI JASWANT SINGH) : (a) to (c) Yes, Sir. The net profits of overseas branches of State Bank of India and Indian Overseas Bank did decline during 2001-02. This was caused by the global economic situation resulting in several large accounts slipping into the NPA category. Net profits for the years ending March 2001, March 2002 and March, 2003 are as under :

(in USD million)

Name of the Bank	Net Profit		
	31.03.01	31.03.02	31.03.03
State Bank of India	53.168	0.609	23.144
Indian Overseas Bank	5.26	–2.70 (Loss)	–2.71 (Loss)

The Banks have respectively put in place a detailed strategic plan, tightened credit dispensation and credit monitoring. Consequently, net profits of Overseas Branches of State Bank of India increased in the year 2002-2003 and those of Indian Overseas Bank in 2003-04 (upto August 2003)

Pipeline for transportation of oil

†*4. SHRI KAPIL SIBAL:
SHRI LAJPAT RAI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that a project for laying of pipelines for transportation of oil has been prepared by certain public sector oil compaines and sent for Government's approval;

(b) if so, the names of the companies by which such proposals have been sent to Government by October, 2003; and

†Original notice of the question was received in Hindi.

(c) the rate at which the dividend is expected to accrue on the capital invested in these projects?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI RAM NAIK) : (a) to (c) M/s. Hindustan Petroleum Corporation Limited has approached the Government for granting the right of users in land for lying a 1008 Kms long petroleum product pipeline from Mundra (Gujarat) to Delhi, in terms of the Government guidelines notified on 20th November, 2002. The estimated cost of the pipeline, with a capacity of 5.8 Million Metric Tonnes per Annum (MMTPA), is Rs. 1367 crore. The pipeline passes through the States of Gujarat; Rajasthan and Haryana.

As per the project proposal, the internal rate of return on investment is expected to be around 17%.

Foreign investment in several sectors

*5. MISS MABEL REBELLO : Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government propose to allow increased foreign investment in insurance, telecom, aviation, coffee and rubber plantations;

(b) whether it is also a fact that easier norms have been drawn for foreign investment in banks, small industries and petroleum retailing; and

(c) if so, the details of Government policy in this regard for the above sectors?

THE MINISTER OF FINANCE (SHRI JASWANT SINGH) : (a) to (c) Sectoral policies and norms for foreign direct investments (FDIs), are reviewed from time to time taking into consideration all relevant factors including national priorities, investments and technology needs of different sectors.

The present norms for FDI in banking, small industries and petroleum retailing are as follows :

Sector	Equity Limit	Entry Route
Banking (Private)	49%	Automatic, subject to RBI guidelines
Small Industries	24%	FIPB
Oil Marketing	74%	FIPB